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SITUATION REPORTS

POLAND

There may be some break in the stalemate between the government and the strikers in Gdansk.

[REDACTED] the government has reversed its earlier position and will send Deputy Premier Jagielski, head of its negotiating team, to meet today with the joint strike committee. The government's move seems to be an effort to probe strikers' attitudes in the wake of recent remarks by the local Catholic bishop that lengthy strikes would be contrary to the nation's welfare.

The news reportedly was greeted with elation by strikers in the pivotal Lenin shipyards. These discussions will only prepare for what promises to be protracted, difficult negotiations. Strike leaders in Gdansk have made the release of the dissidents a precondition for talks. The government released four dissidents yesterday but retains 20 in custody.

Strike activity remains confined primarily to the Baltic coast. Strikers there are maintaining discipline within their ranks and are not making provocative moves that would require a government response.

[REDACTED] the government has suspended 600 workers in Silesia, apparently in an effort to prevent sympathetic work stoppages in the coalfields. Such action, however, could provoke further walkouts.

[REDACTED] some strike activity elsewhere in Poland, mostly among transport workers, but this may be resolved through pay increases.

The regime has other tactical maneuvers under way that it hopes will split the strikers and erode their

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popular support. These include a media campaign highlighting the increasing shortages caused by the strikes and an announcement that the government has increased imports of foodstuffs to relieve these scarcities.

The economic costs of the strikes and growing pressures to end them continue to mount. The stoppages at the Baltic ports have virtually halted shipping. the port strikes cost Poland \$20 million daily in export earnings. Seventy ships waiting to be unloaded cost the port of Gdansk \$1.5 million a day in penalty fees. Fifty-seven percent of coal exports--that account for one-fifth of Polish hard-currency exports--and 82 percent of grain imports come through the Baltic ports.

Thousands of tons of wool and cotton needed by the textile industry in Lodz are blocked in Gdansk and some foods reportedly are rotting in the holds of ships. Large oil tankers are waiting to be unloaded for the idle Gdansk refinery, which processes about 18 percent of total Polish output.

Moreover, all Polish shipbuilding--which accounts for 5 percent of Polish hard currency earnings--is now at a standstill. In Gdansk, center of the unrest, the Lenin shipyard is losing \$1 million a day in penalty fees for late deliveries.

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